

**CONTRACT PERIOD THROUGH FEBRUARY 28, 2004**

TO:                All Departments

FROM:            Department of Materials Management

SUBJECT:        Contract for **BANK SERVICING SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **February 21, 2001**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Director  
Materials Management

SD/ag  
Attach

Copy to:        Clerk of the Board  
                    Les Boyce, Risk Management  
                    Tom Maxson, Treasurers Office  
                    Monica Mendoza, Materials Management

(Please remove Serial 95320-RFP from your contract notebooks)

## 1.0 INTENT:

The Maricopa County Board of Deposits (Supervisors) and the Treasurer of Maricopa County are seeking Request For Proposals (RFP) from qualified banks of Maricopa County to perform the duties of servicing bank. The County intends to establish a three year fixed price contract, with the option to renew annually for an additional two years.

As required by the Arizona Revised Statutes (A.R.S.), only those corporations authorized to engage in the banking business as stipulated in 6-201, are eligible to be considered for award. The State Superintendent of Banks provides the County with a list of those banks qualified to become the servicing bank for public monies. Such eligibility will be based on having a minimum total capital structure of \$10 million and having resources of at least \$100 million. The bank must be in a sound financial position. The selected servicing bank will meet the requirements of A.R.S. 35-325 A, B, C.

Proposals will be evaluated on the basis of providing all the services and requirements cited within the RFP, as well as initial set up costs. While pricing is important, the successful bidder must be able to provide the highest level of service and the technology necessary to maintain the County's operational needs. The County requires that the successful bidder provide an assigned, responsible officer and back up officer to handle the County's transactions and act as liaison to various banking departments.

All items should be addressed by the responding bank. After receiving and analyzing the submitted proposals, the Treasurer will recommend to the Board of Deposits, the most advantageous proposal for their approval.

## 2.0 SCOPE OF WORK:

Philosophy: Maricopa County currently utilizes compensating balances to pay for the majority of its services. Please indicate in your bid, how earnings credits are calculated. If hard dollar charges are issued in any application, those charges must be identified.

### 2.1 GENERAL SPECIFICATIONS AND OPERATING REQUIREMENTS

- 2.1.1 All services and pricing of these services are to be included within the bid.  
**Pricing must be completed on the forms provided in Attachments A, 6.1, 6.2, 6.3, 6.4, 6.5**
- 2.1.2 Treasurer will deposit cash and checks daily with the servicing bank. The deposits represent tax payments or revenues to the County and/or any of its sub-political jurisdictions. In addition, the Treasurer will deposit large United States Treasury, State of Arizona, or taxpayer checks with the bank immediately upon receipt to expedite the use of the funds the next day. This may result in more than one deposit made per day. The County Treasurer's Office may deposit large dollar checks with special handling procedures to assure these are "collected funds" as expeditiously as possible.
- 2.1.3 General volume information regarding the Treasurer's account is as follows:
  - 2.1.3.1 Amount of Annual Deposits: Approx. \$5 Billion
  - 2.1.3.2 Number of Annual Deposit Items: Approx. 1 MM
  - 2.1.3.3 Number of Annual Warrants Processed: Approx. 1.3 MM
- 2.1.4 Costs to the County for banking services are subject to the requirements of the Arizona Revised Statutes. In the event that the contract differs from the applicable statutes, the statutes shall prevail.
- 2.1.5 The County uses two types of warrants. Regular, or "encoded warrants," are computer produced, colored, pre-numbered and micro-encoded in magnetic ink. There are currently nine classifications of regular warrants:

<u>Classification</u>	<u>Warrant Use</u>
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2	County Payroll
3	County Expense
4	School Expense
5	Hospital Expense
6	Jury Payroll
7	School Payroll (15 Independent school districts)
8	School Expense (15 Independent school district)
9	Health Services

**2.1.6** The other type of county warrants, which are not computer produced, are called “non-encoded warrants” and are issued by the following governmental entities:

**2.1.6.1** Irrigation Water Districts

**2.1.6.2** Special Improvement Districts

**2.1.6.3** Water Conservation Districts

**2.1.6.4** Water Delivery Districts

**2.1.6.5** Volunteer Fire Districts

**2.1.6.6** Hospital District #1

**2.1.6.7** Fountain Hills Sanitary District

**2.1.6.8** Recorder’s Office

**2.1.7** The servicing bank must meet the requirements of the County’s and the Treasurer’s computers with regard to electronic data processing interfaces. The servicing bank must have the ability to exchange information directly with our systems. Information to be exchanged are warrants (cashed, registered and/or paid), account balances and detailed transactions for: investments, safekeeping, reconciliation, etc.

**2.1.8** The servicing bank may be requested to provide special messenger service upon request.

## **2.2 ENCODED WARRANT PROCESSING**

**2.2.1** Encoded warrants shall be sorted and filmed by the servicing bank in sequence by type, year and warrant number and delivered by 10:00 a.m. each day to the County Treasurer as follows:

**2.2.1.1** Provide a daily transmittal list, showing warrant number and each warrant amount that shall accompany the warrants. Major totals shall be shown controlling the two (2) high order positions of warrant number and a grand total. The last page of the warrant transmittal listing shall contain the total warrant count and amount by type, and the grand total count and dollar amount.

**2.2.1.2** Provide daily transmission, showing detail of the warrants submitted for Encoded Classifications 1-9. Information regarding required format may be obtained from Maricopa County Treasurer’s System Manager, Mr. Phil Van Kley (phone 506-4635). The transmission must meet the technical specifications necessary to be read by the County’s data processing equipment. The County will transmit data electronically to the bank showing warrants that must be registered by 9:00 a.m. for the previous day’s warrants. See EXHIBIT 8 for details on electronic transmission.

- 2.2.1.3** The warrants, transmittal listing and microfilm all must be delivered to the County Treasurer in identical warrant number sequence, and each contain exactly the same information. (Warrant Classifications 1-9)
- 2.2.1.4** The daily warrant activity (warrant clearing) currently consists of Type 1 through Type 9 county warrants. The servicing bank shall call the County Treasurer's Office by 8:30 a.m. each business day to inform them of the count and amount of encoded warrants and non-encoded warrants. The bank's daily warrant activity printout also should be included in the last box of warrants.
- 2.2.1.5** The warrants are charged against two (2) clearing accounts; one for County warrants and the other for school district warrants. The Treasurer pays the bank with checks each day for the total warrants processed, less any registered warrants. The bank then deposits the checks in the proper clearing account in order to zero out the account each day.
- 2.2.1.6** Servicing bank must have the capability to image the encoded warrants and provide a solution for the image to be read and stored on the Treasurer's system. (See EXHIBIT 2,3,4 for examples of warrants)

## **2.3 NON-ENCODED WARRANT PROCESSING**

- 2.3.1** Non-encoded warrants are transmitted to the County Treasurer via a bank transmittal, Bank Trust Receipt, or Trust Billing, and always are noted as "non-encoded warrants." These are not to be included in the daily-encoded warrant activity tape or warrant listing. In addition, non-encoded warrants are not included in the daily warrant clearing activity.
- 2.3.2** Non-encoded warrants shall be delivered to the County Treasurer daily, separated from the encoded transactions. Non-encoded warrants should be presented to the County Treasurer at the same time encoded warrants are presented.
- 2.3.3** Warrant transmittals to the County Treasurer should be in triplicate, for use as follows:
  - 2.3.3.1** When delivery is made, the Treasurer will date stamp all copies and return the third copy to the bank messenger for the County's records.
  - 2.3.3.2** When payment is made to the servicing bank, the second copy will be attached to the Treasurer's Office check.
  - 2.3.3.3** The original copy will be retained by the Treasurer's Office for record retention purposes.
  - 2.3.3.4** Warrants shall be paid against a clearing account that is credited with the Treasurer's payment each day.

## **2.4 THE PROCESS OF PAYING WARRANTS IS AS FOLLOWS:**

- 2.4.1** The Servicing Bank pays for the warrants on the date the warrants are presented at the bank. The following morning, the bank transmits the warrant information to the Treasurer's Office. The Treasurer will pay all of the presentation the day it is received. The Treasurer's Office will compare the warrant information as received from the bank to the detailed information received from the department/school district that issued the warrant. Any discrepancies are researched. Registered warrants are identified that night when the warrants are processed on the Treasurer's system. The following day the registered warrants and any discrepancies are adjusted from the current days warrant payment to the bank.
- 2.4.2** The current policy is that all warrants are submitted to the Treasurer's Office for original payment. If a warrant is "registered" only a computer generated report is submitted to the bank for processing the loan. The actual warrants are not resubmitted to the bank as collateral for the registered borrowings.

2.4.3 Any physical warrant document not presented to the Treasurer's Office will not be reimbursed.

**2.5 THE DIFFERENCE BETWEEN THE ENCODED (HIGH SPEED) WARRANTS AND THE NON-ENCODED (LOW SPEED) WARRANTS IS AS FOLLOWS:**

2.5.1 Encoded warrant information is submitted to the Treasurer's Office electronically via tape or transmission and in turn the Treasurer's Office will process and return the payment and registered information by the same medium. The non-encoded (low speed) warrants are submitted to the Treasurer's Office and manually processed instead of via electronic transmission. We will examine each warrant and will pay the bank upon the receipt of the original document. The low speed warrants are reserved for only the accounts which issue very few warrants on a daily basis. (See EXHIBIT 5 for examples of non-encoded warrants)

**2.6 "REGISTERED WARRANTS"**

2.6.1 Registered Warrants are the basis of credit line borrowing for school districts. Warrants are presented to the Treasurer's Office by the bank daily. The Treasurer's Office will then process the warrants that evening and will determine which of the schools do not have sufficient monies in their funds to cover the warrants paid. The individual registered warrant information (i.e., warrant number, amount, name, date, school district, fund, etc.) is transmitted electronically to the bank. The Treasurer will deduct this registered amount from the subsequent day's warrant payment. The bank in turn will record the borrowed amount for each district and fund based on the information provided by the electronic transmission. (SEE EXHIBIT 12)

2.6.2 As monies are received for each School District, the Treasurer's Office will calculate the amount available to pay registered warrants. The warrants are called in order by date and number that they are registered. Each warrant is paid with the respective interest calculated at the qualified rate the bank will calculate the additional interest if the unqualified rate should apply.

**2.7 DEPOSITORY ACCOUNTS**

2.7.1 The Maricopa County Treasurer currently has 101 accounts in addition to our servicing bank account. All accounts will need to be on our electronic data transmission service. The collected balances on all depository accounts will be included in the monthly collected balance for our servicing account. Any excess balances not required to cover service charges will be applied to our earnings credit. This earnings credit shall be accumulative, month to month, over the course of the contract.

**2.8 OVERDRAFTS**

2.8.1 In the event an overdraft should occur in our accounts, the bank shall charge the effective Federal Funds rate for the month.

**2.9 STOP PAYMENTS**

2.9.1 The Treasurer and the Clerk of the Superior Court currently input stop payment directly into the bank's system via electronic data processing interface. This insures the bank and the County of rapidly getting stop payments into the system.

**2.10 BANK BALANCE INFORMATION**

2.10.1 The bank must provide an electronic balance transaction reporting system. This must include software or Internet secured access.

2.10.2 The servicing bank shall also provide a daily statement showing the servicing bank account activity with Treasurer's checks posted on a statement in numeric order which is to be delivered to the Treasurer on

the following day. In addition, bank balances shall be available by 5:30 a.m. of each day via the electronic data system. (Detailed Statement Information must also be available via the electronic data system.)

**2.11 MONTHLY STATEMENTS**

- 2.11.1** A monthly statement will be required by the 10th of the following month for all County accounts other than the daily statement of the servicing bank account. Please indicate if your bank can provide monthly statements and analysis in electronic format.

**2.12 COURSE OF BUSINESS ACTIVITY SERVICES**

- 2.12.1** The servicing bank shall also provide the following services:
- 2.12.2** A daily messenger service, as needed, but not to exceed three (3) times per day. The messenger service will pick up and deliver special deposits, warrants, securities, documents, daily statements, or other designated items.
- 2.12.3** Cashier's checks, drafts, domestic and foreign payment orders upon request.
- 2.12.4** Research and resolution of discrepancies to the benefit of both parties. Respond to inquiries that concern the servicing account in a timely manner.
- 2.12.5** Coordinate the ordering and printing of all encoded warrants; the cost of which shall be applied against any earnings credit.
- 2.12.6** Replace damaged, lost, or temporarily misplaced items such as documents, cash items and/or data processing magnetic tapes.
- 2.12.7** Maricopa County Treasurer's office is developing a method to automatically process the deposits made by each County Department. Each bank must have the ability to micro encode each deposit slip with a numerically sequenced number and electronically transmit the account number, deposit number, and amount to the Treasurer's Office.

**2.13 CURRENCY REQUIREMENTS**

- 2.13.1** The servicing bank will be required to provide currency in amounts ranging from \$100,000 to \$500,000 between approximately six (6) to ten (10) times monthly. The denominations will be specified at the time of the request. The servicing bank will be given twenty-four (24) hours notice whenever possible. The Treasurer's Office will work closely with the security department at the servicing bank to outline precise procedures.

**2.14 SECURITY CLEARING AND SAFEKEEPING**

- 2.14.1** The servicing bank will be required to provide facilities for settlement of securities transactions through the Federal Reserve Bank, physical securities, a New York City Bank. The servicing bank is required to receive and deliver securities for the Maricopa County Treasurer as well as accept and make payments to designated parties in good funds. The collateral for repurchase agreements and certificates of deposit shall be kept in customer safekeeping account under the name of Maricopa County. It is estimated that 100 government security transactions, valued at approximately \$600 million will occur monthly.
- 2.14.2** All transactions must be settled **Delivery vs. Payment**.
- 2.14.3** Please specify how the following situations are handled:
- 2.14.3.1** Settlement of trades
  - 2.14.3.2** DK's
  - 2.14.3.3** Failed Trades
  - 2.14.3.4** Difference in monies or securities
  - 2.14.3.5** Notification of calls
  - 2.14.3.6** Notification of maturities
  - 2.14.3.7** Notification of interest payments

- 2.14.3.8** Explain Repurchase Agreements offered to customers, for overnight investment of excess cash.
- 2.14.3.9** Does bank provide market pricing of County's investment portfolio.



## 2.15 COLLATERAL REQUIREMENTS

- 2.15.1 Approximately \$45 Million in collateral is required daily to cover deposits. Twice per year, on November 1 and May 1, the aggregate total of bank collateral required at each date for the County will be as much as \$200 million.
- 2.15.2 This collateral may be required with same day notification. (The Treasurer's Office will try to give the servicing bank its best estimate the day prior). Collateral must be pledged or confirmed prior to the daily delivery of deposits. Additional securities required to guarantee deposits shall be deposited immediately when the percent of market to deposits is less than 105%. (Refer to A.R.S. 35-323). Collateral for deposits must be held by a trustee approved by the Treasurer's Office and meet all current FIRREA requirements. This includes a signed authorization from the bank's Board of Directors stating the approval and knowledge of collateral requirements, and transmittals for the County.
- 2.15.3 The County reserves the right to review all pledged collateral, and approve the substitution of any item.

## 2.16 WIRE INITIATION

- 2.16.1 Maricopa County currently utilizes electronic wire transfer via PC. Maricopa County requests the following:
  - 2.16.1.1 Does the bank offer the following methods of initiation? If so, describe each method's process of *initiation, approval and release*. Also provide the number of customers using each method of Transfer. **(State of Arizona)**
    - 2.16.1.1.1 Voice
    - 2.16.1.1.2 Touch-tone phone
    - 2.16.1.1.3 Fax
    - 2.16.1.1.4 PC
  - 2.16.1.2 Does the bank offer a LAN version of its PC system?
  - 2.16.1.3 Does the bank's system offer batch input of wires? If so, what is the maximum volume of transfers allowed in each batch? Can repetitive and free form wires be in the same batch?
  - 2.16.1.4 Is there any manual processing involved in executing either a repetitive or free-form wire transfer that has been initiated via one of the automated input vehicles (touch-tone phone, PC)? If so, describe.
  - 2.16.1.5 What provisions are in place to allow the customer to initiate a priority wire transfer requiring special handling and immediate release? Is there an additional charge for this service?
  - 2.16.1.6 ~~Can A~~ Can ACH payments be initiated through the wire transfer initiation system?
- 2.16.2 CUT OFF TIMES
  - 2.16.2.1 What are the opening hours and the cut-off times in Mountain Standard Time initiating wire transfers to ensure same-day execution? List by type of transfer and method of communication.
  - 2.16.2.2 Does the bank provide end of day time extensions for processing if Fedwire hours are extended? If so, how would the company be advised?
- 2.16.3 CONFIRMATION
  - 2.16.3.1 How soon after wire execution would an internal bank confirmation/sequence number (not the Fed Reference number) be available? Explain any delays.

- 2.16.3.2** How long does it take for the Fed Reference number to be assigned to a wire assuming no repairs are needed and there are sufficient funds in the account? Explain any delays. Will the bank look to the funding account if debit account is a zero balance account?
- 2.16.3.3** Have there been interruptions in the processing of wire transfers due to the bank managing its net debit cap? What steps are you taking to ensure uninterrupted service?
- 2.16.3.4** When and how can a wire transfer be canceled after it is released to the system by the company? What is the latest time in the day to cancel? Is there a charge for cancellation?
- 2.16.3.5** How is the status of transfers tracked by the customer once the transfer is in the system (input, approved, released)? Does this differ for telephone initiated wire transfers? If so, how?
- 2.16.3.6** At what point does the bank assume legal liability for executing a wire transfer? How is that event identified?
- 2.16.3.7** What is the bank's policy in the event of a wire transfer failure for which receipt of instructions has been confirmed to the customer?

**2.16.4 WAREHOUSING**

- 2.16.4.1** Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wire transactions? If so, what are the limitations? How many days/months in advance? Is the warehouse function limited to certain types of wire transfers? Explain.
- 2.16.4.2** Can the wires be input, approved and released in advance so they will be executed automatically on value day? Will the wire transfer system provide a tickler report of warehoused transfers that are pending current day release?
- 2.16.4.3** Is it possible to cancel a previously warehoused wire transfer request before value day? On value day?
- 2.16.4.4** What time are future value dated wires executed on the value date?

**2.16.5 REPETITIVE LINESHEETS**

- 2.16.5.1** Does the bank have an on-line repetitive wire linesheet setup function?
- 2.16.5.2** Can the customer structure a new repetitive wire linesheet number on-line without relying on an exchange of paper documents with the bank?
- 2.16.5.3** Can the customer assign its own linesheet numbers?
- 2.16.5.4** Describe the on-line repetitive wire linesheet setup function.
- 2.16.5.5** Does the on-line facility have a look-up for routing numbers?
- 2.16.5.6** How much time is required to set up a new repetitive wire using the on-line function? Can this be done in real-time? How long before we receive confirmation from the bank?
- 2.16.5.7** How long does it take to set up linesheets via written request?
- 2.16.5.8** To avoid re-keying, can a repetitive linesheet be created when inputting a Free form wire transfer?

**2.16.5.9** Are linesheets stored on the customer's PC or the bank's system? Can the linesheets be stored on both? Explain. Does the bank charge for linesheet storage on its system?

**2.16.5.10** What security measures are in place for adding a new line?

**2.16.6 PROCESSING ERRORS**

**2.16.6.1** What are the bank's repair fees for incoming and outgoing wires?

**2.16.6.2** Under what circumstances do incoming and outgoing wires require repair?

**2.16.6.3** What are the bank's procedures and time frames for repairing incoming and outgoing wires?

**2.16.6.4** Under what conditions would the bank not repair a wire? What are the bank's procedures in these cases?

**2.16.6.5** Does the bank provide the customer with reports tracking wires requiring repair? If so, how are they provided?

**2.16.6.6** When and how is the customer notified of wire transfer repairs?

**2.16.6.7** What is the average turn around time for responding to inquiries about failed repetitives and free-from wire transfers?

**2.16.6.8** What efforts are being made to increase the rate of incoming and outgoing wires going straight through without exception handling?

**2.16.6.9** Does the bank require the customer to submit written inquiries for resolution of wire transfer discrepancies? Does the bank have an on-line customer service/inquiry facility? Describe inquiry options.

**2.16.6.10** If either the originating or receiving bank makes an error, how are back value adjustments handled and how would the adjustment be calculated?

**2.16.6.10.1** On the customer's account analysis

**2.16.6.10.2** When notifying the customer

**2.16.6.11** Is the customer charged for wire transfer investigations? If so, how?

**2.16.7 SYSTEMS**

**2.16.7.1** Does the bank operate its own wire transfer system in-house? If not, is the system purchased and customized? Who is the vendor?

**2.16.7.2** Describe the most recent major hardware and/or software upgrade.

**2.16.7.3** Does the wire transfer system reside on the bank's central computer system? Do customers interact with that system?

**2.16.7.4** Is the customer system a PC-resident system? If so, is it a stand-alone product or part of a family of information products.

**2.16.8 SECURITY**

**2.16.8.1** Describe the method for granting bank employees physical access to the wire transfer department. By what means do employees gain access to the department (e.g., security cards)?

- 2.16.8.2** Does the system require the segregation of duties so that the same wire transfer operator cannot enter and release a payment?
- 2.16.8.3** What levels and types of security safeguards exist when initiating and releasing wires for *each* method below? Describe:
- 2.16.8.3.1** Voice
  - 2.16.8.3.2** Touch-tone phone
  - 2.16.8.3.3** Fax
  - 2.16.8.3.4** PC
  - 2.16.8.3.5** LANed PC
  - 2.16.8.3.6** Inter/Intranet or other web-based product?
- 2.16.8.4** How is the customer's access to the bank's wire transfer systems controlled?
- 2.16.8.5** Does the bank offer its customers dual control release options (intermediary approval level) for electronically initiated transfers? If so, describe.
- 2.16.8.6** Is security the same for repetitive and free form wires initiated by all of the methods listed above? If not, how does it differ?
- 2.16.8.7** If a test key capability is offered, is it a manual or automated process?
- 2.16.8.8** Are PC transmissions to the bank encrypted or authenticated? At What level and on what fields? Describe procedures in the event a violated transmission arrives at the bank.
- 2.16.8.9** Describe the security measures for the Master User/Security Administrator. Can the system require dual Security Administrators? What functions does the Security Administrator perform?
- 2.16.8.10** Are security access codes (passwords) encrypted or authenticated? At what level and on what fields? Describe procedures in the event a violated transmission arrives at the bank.
- 2.16.8.11** Describe procedures when security codes are violated.
- 2.16.8.12** How many log-on attempts does the system allow before disabling a user? Is this number per dial-in or cumulative per user?
- 2.16.8.13** Does the software automatically log-off an inactive user? If so, when?
- 2.16.8.14** Is an exception report generated?
- 2.16.8.15** Who reviews exception reports?
- 2.16.8.16** Can passwords be assigned an expiration date? Is the date assigned at the bank or Security Administrator?
- 2.16.8.17** Are passwords user-defined or bank provided?
- 2.16.8.18** Can user passwords be restricted to certain functions, such as:
- 2.16.8.18.1** Debit Account
  - 2.16.8.18.2** Repetitive Only
  - 2.16.8.18.3** Data Enter Only
  - 2.16.8.18.4** Approve Only

- 2.16.8.18.5 Inquiry Only
- 2.16.8.18.6 Other (Describe)

- 2.16.8.19 Can dollar limits by user and function be established for single transaction amounts and daily aggregate amounts? How can dollar limits be altered if needed?
- 2.16.8.20 What controls has the bank put in place to prevent wire transfer fraud? What has been the bank's experience with fraud in the wire transfer area?

## 2.16.9 DISASTER RECOVERY

- 2.16.9.1 Is the bank's wire transfer system exclusively dedicated to that function? What contingency plans does the bank have for backup in the event of equipment (hardware) or system (software) failure? For site failure or flood? How frequently is this plan tested? Indicate the date of the most recent test.
- 2.16.9.2 Does the bank have off-site backup capability? Is this site managed by the bank or third party provider?
- 2.16.9.3 Describe your recommendations for disaster recovery for the *customer* that is unable to access the bank's system in the usual manner.
- 2.16.9.4 Is your PC wire transfer software hardcoded to a specific PC, preventing the customer from loading it onto a backup PC? Is there a portable encryption device that could be installed on a backup PC?
- 2.16.9.5 Would you accept phone or fax wires as a substitute for electronic initiation during a disaster? If so, how would security be provided?
- 2.16.9.6 What is the uptime percentage of the bank's wire transfer system? What is the date of this statistic? What is the uptime percentage between 7am and 6 pm EST?
- 2.16.9.7 How often in the last 12 months has the bank's wire transfer system had unscheduled downtime for a total of more than 30 minutes in a single day? What are the most common causes of unscheduled downtime?

## 2.16.10 ACH TRANSACTIONS

- 2.16.10.1 Based on our preference to transmit ACH files, provide a full and complete description of the bank's software package and technical requirements.
- 2.16.10.2 Does the bank offer any service to protect our account from unauthorized ACH debits?
- 2.16.10.3 Can the bank block all ACH debits to our account?
- 2.16.10.4 Can the bank selectively accept ACH debits only from originators authorized by us?
- 2.16.10.5 What information do you provide and how do you report incoming ACH transactions? Please provide examples of each reporting method and the information provided.
- 2.16.10.6 Describe the bank's ACH return process. When will returned funds be posted to the County's account?
- 2.16.10.7 How do you advise customers of NACHA rule changes and their impact?

**2.16.10.8** Can ACH returns and incoming ACH transactions be list-posted to the bank statement? What supporting information can the bank provide to reconcile the transactions? How will this information be made available of us? What description is provided?

**2.16.10.9** What is the average lead time for ACH implementation? EDI implementation? What are the critical factors which may impact that lead time for each?

**2.16.10.10** Do you have a customer service team dedicated solely to ACH inquiries?

**2.16.10.11** Who will be the County's primary contact for ACH issues?

## **2.17 SHORT-TERM FINANCING REQUIREMENTS**

**2.17.1** \$35 Million Municipal Line of Credit

**2.17.2** It is not anticipated that Maricopa County will utilize any of the line of credit, during the period of the contract. However, the County would like to have the availability, should the need arise. If this requires a commitment fee, please include the amount in your proposal.

**2.17.3** The Budget Forecast is balanced for the next several fiscal years for Maricopa County. Maricopa County finished the 1999/00 fiscal year with an estimated unencumbered balance of \$157 million. (See EXHIBIT 10 and 11 for borrowing and fund balance history).

## **2.18 DIRECT DEPOSIT PAYROLL PROGRAM**

**2.18.1** The direct deposit processes approximately 11,000 transactions and 125 pre-notes bi-weekly. The average dollar amounts settled on these files are approximately \$7.2 million. Our ACH file is transmitted by the data center to the servicing bank at approximately 1:00 am Thursday morning, the day before payday. The servicing bank disperses funds for a settlement date of Friday (payday).

**2.18.2** Payroll reverses approximately 10 transactions a month. This is a manual process for us, which we initiate by faxing the servicing bank the request. We receive approximately 20 returns a month. These are faxed to us by the servicing bank for research and payment by regular check.

## **2.19 ARMORED CAR SERVICE**

**2.19.1** The Treasurer requires armored car service to departments within the County Administration Building and other designated County locations during the contract period. All fees for such service shall be approved and agreed to by the Treasurer prior to being implemented. See Attachment A, 6.5 for a list of current armored car services. The servicing bank will contract for the armored car services and pass the charge to Maricopa County as a soft dollar charge.

## **2.20 INVESTMENT MANAGEMENT SERVICES:**

**2.20.1** From time to time the County will have special funds that are not subject to administration by the County Treasurer, but are instead administered by the County Attorney pursuant to his authority under ARS 13-2314.03(A). These funds may require the services of an Investment Manager to direct specific investments, and or money market funds. The fee structure for this type of service will be negotiated at the time each request is submitted for investment.

**2.20.2** From time to time in addition, the County may have special funds that are not subject to ARS 35-323. These funds may also require the services of an Investment Manager to direct specific investments, and or money market funds. The fee structure for this type of service will be negotiated at the time each request is submitted for investment.

## **2.21 TECHNOLOGICAL ADVANCES:**

- 2.21.1** At the rate technology is growing and changing, Maricopa County has to be able to respond in kind. The County is looking to revolutionize its communications systems with the public. The County must keep pace with private industry. It appears that in the near future the automated teller industry will be making radical changes in the area of bill payment via corresponding bank relationships or the Arizona Clearing House. The County needs to be able to piggyback on to any services such as this, which will better enhance our ability to serve the citizens of Maricopa County. If at any time during the course of the contract, the Bank incorporates new technology that will enhance the capability of Maricopa County to serve the taxpayer, Maricopa County reserves the right to negotiate pricing of the service for the remainder of the contract period. If at anytime during the life of the contract, the successful bidder is unable to provide the County with advancements in technology that are available, Maricopa County reserves the right to obtain this technology elsewhere.

## **2.22 LOCK BOX SERVICES**

- 2.22.1** Maricopa County currently utilizes Lock Box Collection services on both a wholesale and retail level. The Clerk of the Court has significant activity in which the volume of transactions on a month to month basis is similar. The bank may contact Mr. Gordon Mulleneaux of the Superior Court Clerk's Office at 506-3794 for details on the Clerk's operations.
- 2.22.2** The County Treasurer's property tax collections are suitable for lockbox processing. The Treasurer's payment documents have been developed with a scanable/readable OCR information scan line that complies with industry standards for retail lock box processing. See EXHIBIT 6 for example of remittance document, and EXHIBIT 7 for explanation of scan line. A COBOL record layout is also provided in EXHIBIT 9 for purposes of electronic transmission.
- 2.22.3** Also requested that along with a per item charge for the bank's lock box services, that any origination fees or programming fees be included in the bid. A brief description of the physical location of the lock box service and the type of equipment the bank utilizes to process documents is required. The successful bidder shall have their lockbox facility located within Maricopa County, and shall use those facilities to fulfill the terms of this contract.

### **2.22.4 IMAGING**

The Maricopa County Treasurer's Office currently receives images of all items processed through the existing lock box account. These images are provided in a format that allows the Treasurer's office to relate each payment transaction with the appropriate image of the check and supporting documents. These images are black/white in TIFF format with Group IV Fax Compression. The images must be provided to the Treasurer in a format readable by the Treasurer, allowing the images to be read and stored in the Treasurer's own imaging system. Currently the images are provided on CD-ROM by next business day.

### **2.22.5 ELECTRONIC LOCKBOX:**

The Treasurer's office would like to intercept customer tax payments that originate through bill payment on-line providers. The Treasurer would incorporate this service with the lockbox application. At the present time the Treasurer would only accept payments that originate as an ACH transaction. The Treasurer would also need a record of the name and address of the taxpayer, along with the proper tax parcel number to be credited. The Treasurer's main experience in this area has been with the Check Free provider.

- 2.22.6** The servicing bank shall provide several (not less than six) key branch bank locations, located throughout the Phoenix metro area, for installation of the Treasurer's new property tax pay stations. These are freestanding "ATM-like" devices that accept tax coupons, checks and cash for the payment of property taxes. They will require power, a data line and must be placed indoors. The payments

collected at the branch facilities would be directly credited to the Treasurer's account. These transactions would be handled like a night drop deposit.

- 2.22.7 While best efforts are always anticipated on both sides (Bank and Maricopa County), processing errors can occur. Given that proper production edits are in place and understood by all parties, what is your bank's definition of excess processing errors, both in retail and wholesale processing? If processing errors are in excess of the threshold established by the bank, and the bank is in error, what form of compensation will the bank give to Maricopa County, until correction of the errors have been achieved. The Treasurer also requires the lockbox to assign a responsible officer and a backup officer to this processing function.

## **2.23 CLERK OF THE COURT HISTORICAL DATA**

- 2.23.1 The Clerk of the Court currently has seven (7) accounts; one (1) account is zero balance account and the other six (6) are DDAs. The Clerk's banking services and accounts are part of the Treasurer's proposal.

### **2.23.2 BENCHMARKS OF VOLUMES:**

\$110 Million	Annual Cash Flow/Amount of Annual Deposits
\$ 30 Million	Pooled Investment
\$ 17 Million	Average Daily Escrow Fund Balance (DDA Policy Reserve)
\$ 2 Million	Average Daily Collected Balances (Court-ordered restitution)
480,000	Estimated Number of Annual Deposit Items
136,000	Estimated Number of Annual Checks Processed (disbursed)

## **2.24 BANK ACCOUNT MAINTENANCE**

- 2.24.1 The Clerk requires an automated reconciliation program for one (1) high volume (i.e., and Criminal Financial Obligations) and two (2) low volume (i.e., Fees and Trust) accounts. The Clerk will provide magnetic tapes of monthly activity for the high volume accounts, formatted to the requirements of the Bank. The Clerk will provide the Bank with a listing of any additions, deletions or corrections with its formatted magnetic tape. The Clerk will also provide the Bank with listings of the disbursements on its two (2) low volume account activity.
- 2.24.2 The bank shall provide an **ELECTRONIC** monthly reconciliation list, showing check number, amount and date paid or outstanding.
- 2.24.3 Monthly bank statements for accounts must be provided **ELECTRONICALLY (Daily)** with documentation supporting all entries on the statements within five (5) banking days **(Hard Copy)** after calendar month end.
- 2.24.4 The bank must provide for the necessary printing of deposit slips for the Clerk's four (4) checking accounts. Deposit slips shall be coded with unique location identifiers, which then shall appear on bank statements.
- 2.24.5 The bank shall have A STONG CUSTOMER SERVICE ORIENTATION.
- 2.24.6 MAKING personnel available to answer questions pertaining to transactions which require explanation and to effect account opening/closing and transfers as required.
- 2.24.7 The bank shall establish a blanket authorized signature file, which will cover all accounts opened at the contracted bank in the name of the Clerk of the Superior Court.

**Maricopa County will follow standard signature card procedures. The County will not require a blanket authorized signature file.**



**2.24.8** The Bank shall provide, as selected by the Clerk of the Superior Court, blank check stock, 8 ½ X 11” MICR/OCR/security paper with multiple security features, check at perforated top portion, single sheet. This contribution is not to be charged back in hard dollars.

**2.24.9** The Bank shall provide Micro Link services.

**2.24.10** The Clerk’s Office will not regularly accept foreign checks. However the Bank shall process all foreign checks with fees paid from soft dollars.

**2.25 DEPOSIT SERVICES**

**2.25.1** All deposits must be credited to the Clerk’s ledger balance immediately upon receipt.

**2.25.2** The Clerk will take appropriate steps to facilitate the quickest possible collection of deposits by the bank, such as multiple daily deposits when necessary, separation of large items into “special” deposit slips, and immediate notification to the bank of items deserving special handling.

**2.26 CURRENCY AND COIN SERVICES**

**2.26.1** Services shall be provided for currency purchases, coin purchases, coin bags and wrappers, and locking bank bags. The servicing bank must also accept unrolled coin for deposit. The Clerk anticipates making telephone calls from any of its four (4) locations to the bank, requesting specific operating needs for that location by armored car delivery the following day.

**2.27 ACCEPT/RETURN**

**2.27.1** The Bank shall give credit for stopped, voided, and canceled issues; accept, return and give credit for forged issues whenever returned with a certification of forgery.

**2.28 ELECTRONIC SERVICES**

**2.28.1** The bank shall provide electronic services that would include transference of funds between Clerk of Court accounts and between financial institutions.

**2.28.2** The bank shall provide the Clerk’s Office the on-line ability to review account activity, stop payments, view deposit and disbursement detail.

**2.28.3** The bank shall provide the Clerk of Court the ability to obtain bank account statements for ninety (90) days.

**2.29 PROCESSING PROCEDURES**

**2.29.1** The Clerk of the Court is considering the establishment of new processing procedures. Some new services that may be required from the servicing bank are:

**2.29.1.1** Reading invoices with payments and the pay information loaded to a tape.

**2.29.1.2** Sure-pay check services.

**2.29.1.3** Providing the printing and mailing of restitution checks.

**2.29.2** The following is a summary of these changes.

**2.29.2.1** Billing court orders: For individuals paying by time payment (e.g., criminal financial obligations, fee deferrals, etc.), the Clerk's Office may invoice the payer each month. The billed debtor may pay:

**2.29.2.1.1** By mail, preferably through the lock box or to a general address of the Office of the Court

**2.29.2.1.2** By electronic funds transfer from his/her accounts

**2.29.2.1.3** To any receipting office of the Clerk of the Court

**2.29.2.1.4** Via use of telephone initiated transfer

**2.29.2.2** Receipting funds from lock box: The Clerk's Office expects to have the servicing bank scan the coupons through their lock box service. The coupons can be scanned due to a new OCR-A scan line proposed to be printed on the bill. The electronic information (data transmittal over a phone line) of scanned bills will be given to the Clerk's Office to update payment information.

**2.29.2.3** Disbursing of monies to the payee: The methods of making disbursements to a payee would be through a check mailed to a payee or electronic funds transfer to the payee's account.

### **3.0 SPECIAL TERMS & CONDITIONS:**

#### **3.1 CONTRACT LENGTH:**

**This Request for Proposals is for awarding a firm fixed price contract to cover a (3) year period.**

#### **3.2 OPTION TO EXTEND:**

The County may, at their option and with the approval of the Contractor, extend the period of this agreement up to a maximum of TWO (2), ONE (1) year options. The Contractor shall be notified in writing by the Materials Management Department of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

#### **3.3 INDEMNIFICATION AND INSURANCE:**

##### **3.3.1 INDEMNIFICATION FOR PROFESSIONAL LIABILITY**

To the fullest extent permitted by law, the **CONSULTANT** shall indemnify, and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the **CONSULTANT'S** negligent acts, errors, omissions or mistakes relating to professional services in the performance of this Contract. **CONSULTANT'S** duty to indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom, caused by any negligent acts, errors, omissions or mistakes, related to professional services in the performance of this Contract including any person for whose negligent acts, errors, omissions or mistakes, the **CONSULTANT** may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

**For all other hazards, liabilities, and exposures:**

To the fullest extent permitted by law, the **CONSULTANT** shall defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings), relating to, arising out of or resulting from the **CONSULTANT'S** work or services. **CONSULTANT'S** duty to defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the **CONSULTANT**, anyone **CONSULTANT** directly or indirectly employs or anyone for whose acts **CONSULTANT** may be liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

**Abrogation of Arizona Revised Statutes Section 34-226:**

In the event that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then this duty of indemnification shall extend to all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted therefrom, caused in whole or in part by any negligent acts, errors, or omissions relating to professional work or services in the performance of this Contract by the **CONSULTANT**, or anyone directly employed by the **CONSULTANT** or anyone for whose acts **CONSULTANT** may be liable regardless of whether it is caused by any party indemnified hereunder, including the **COUNTY**.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of the **COUNTY**.

**3.3.2 INSURANCE REQUIREMENTS:**

**CONSULTANT**, at **CONSULTANT'S** own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the **COUNTY**, constitute a material breach of this Contract.

The **CONSULTANT'S** insurance shall be primary insurance as respects the **COUNTY**, and any insurance or self-insurance maintained by the **COUNTY** shall not contribute to it.

The policies required hereunder, except Workers' Compensation and Professional Liability, shall contain a waiver of transfer of rights of recovery (subrogation) against the **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of the **CONSULTANT'S** work or service.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the **COUNTY**.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the **COUNTY** under such policies. The **CONSULTANT** shall be solely responsible for the

deductible and/or self-insured retention and the **COUNTY**, at its option, may require the **CONSULTANT** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The **COUNTY** reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONSULTANT** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONSULTANT** from, or be deemed a waiver of, the **COUNTY'S** right to insist on strict fulfillment of **CONSULTANT'S** obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation and Professional Liability, shall name the **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

- 3.3.3 Commercial General Liability. **CONSULTANT** shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. The coverage shall include X, C, U.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision, which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, CG 20 10 11 85, and shall include coverage for **CONSULTANT'S** operations and products and completed operations.

- 3.3.4 Automobile Liability. **CONSULTANT** shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **CONSULTANT'S** vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

- 3.3.5 Workers' Compensation. The **CONSULTANT** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONSULTANT'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

In case any work is subcontracted, the **CONSULTANT** will require the Subconsultant to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the **CONSULTANT**.

- 3.3.6 Professional Liability. The **CONSULTANT** retained by the **COUNTY** to provide the work or service required by this Contract shall maintain Professional Liability insurance covering negligent acts, errors, or omissions arising out of the work or services performed by the **CONSULTANT**, or any person employed by the **CONSULTANT**, with a limit of not less than \$1,000,000 each claim.

#### 3.4 CERTIFICATES OF INSURANCE:

Prior to commencing work or services under this Contract, **CONSULTANT** shall furnish the **COUNTY** with Certificates of Insurance, or formal endorsements as required by the Contract, issued by **CONSULTANT'S** insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy (ies) required by this contract is(are) written on a “claims made” basis, coverage shall extend for two years past completion and acceptance of the **CONSULTANT’S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the **COUNTY** fifteen (15) days prior to the expiration date.

**3.5 CANCELLATION AND EXPIRATION NOTICE**

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the **COUNTY**.

**3.6 TERMS AND PAYMENT:**

Payment under contract will be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the Purchase Order. Invoices shall contain the following information: Purchase Order number, item numbers, description of supplies and or/services, sizes, quantities, unit prices and extended totals and applicable sales/use tax. The County is not subject to excise tax.

**3.7 USAGE REPORT:**

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

**4.0 CONTRACT TERMS & CONDITIONS:**

**4.1 LANGUAGE FOR REQUIREMENTS CONTRACTS:**

Contractors signify their understanding and agreement by signing this document, that the Contract resulting from this proposal will be a requirements contract. However, this Contract does not guarantee that any purchases will be made. It only indicates that if purchases are made for the services contained in this Contract, that they will be purchased from the Contractor awarded that item. Orders will only be placed when a need is identified by a Using Agency or Department and proper authorization and documentation have been approved.

**4.2 ESCALATION:**

Any requests for price adjustments must be submitted thirty (30) days prior to the Contract renewal date. Justification for the requested adjustment in cost of labor and/or materials must be accompanied by appropriate documentation. Escalation shall not exceed the increase in the U.S. Department of Labor (Bureau of Labor Statistics) Consumer Price Index for Urban Consumers. Increases shall be approved in writing by the Materials Management Department prior to any adjusted invoicing submitted for payment.

**4.3 UNCONDITIONAL TERMINATION FOR CONVENIENCE:**

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

**4.4 DEFAULT:**

The County may suspend, terminate, or modify this contract immediately upon written notice to the Contractor in the event of a nonperformance of stated objectives or other material breach of contractual obligations; or upon the happening of any event which would jeopardize the ability of the Contractor to perform any of its contractual obligations. Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

**4.5 TERMINATION BY THE COUNTY:**

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate this Agreement. If the Contract should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of, a substantial violation of any

provision of this Agreement, then the County may terminate this Agreement. Prior to termination of this Agreement, the County shall give the Contractor fifteen (15) calendar days written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

**4.6 APPROPRIATION CONTINGENCY:**

The Contractor recognized that any agreement entered into shall commence upon the day first provided and continued in full force and effect until termination in accordance with its provisions. The Contractor and the County herein recognized that the continuation of any contract after the close of any given fiscal year of the County which fiscal years end on June 30 of each year, shall be subject to the approval of the budget of the County providing for or covering such contract item as an expenditure therein. The County does not represent that said budget item will be actually adopted, said determination being the determination of the County Board of Supervisors at the time of the adoption of the budget.

**4.7 ORGANIZATION - EMPLOYMENT DISCLAIMER:**

The Contract is not intended to constitute, create, give rise to or otherwise recognize a joint venture agreement or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties shall be only those expressly set forth in the Contract.

The parties agree that no persons supplied by the Contractor(s) in the performance of obligations under the agreement are considered to be County employees, and that no rights of County civil service, retirement or personnel rules accrue to such persons. The Contractor(s) shall have total responsibility for all salaries, wages, bonuses, retirement withholdings, workmen's compensation, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold the County harmless with respect thereto.

**4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S. § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the contract.

**4.9 OFFSET FOR DAMAGES:**

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this Contract.

**4.10 ADDITIONS/DELETIONS OF SERVICE:**

The County reserves the right to add and/or delete services to this Contract. Should a service requirement be deleted, payment to the Contractor will be reduced proportionally, to the amount of service reduced in accordance with the PROPOSAL price. Should additional services be required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

**4.11 ASSIGNMENT OR SUBCONTRACTING:**

Neither this Agreement, nor any portion thereof, may be assigned by Contractor without the written consent of the County first having been obtained. Any attempt by the Contractor to assign or subcontract any performance of this Contract without the written consent of the County shall be null and void and shall constitute a breach of this Contract.





**4.12 AMENDMENTS:**

All amendments to this Contract must be in writing and signed by both parties.

**4.13 CONFORMATION WITH THE LAW:**

This service shall be accomplished in conformity with the laws, ordinances, rules, regulations and zoning restrictions of the United States of America, the State of Arizona, County of Maricopa, and the City of Phoenix.

**4.14 CONTRACT COMPLIANCE MONITORING:**

The Materials Management Department and Using agency(s) shall monitor the Contractors compliance with, and performance under, the terms and conditions of the Contract. The Contractor shall make available for inspection and/or copying by the County all records and accounts relating to the work performed or the services provided in this Contract.

**4.15 RETENTION OF RECORDS:**

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The Department, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all said materials.

**4.16 ADEQUACY OF RECORDS:**

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that allowable services were provided to eligible clients the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

**4.17 AUDIT DISALLOWANCES:**

If at any time it is determined by the Department that a cost for which payment has been made is a disallowed cost, the Department shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the Department either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

**4.18 RIGHTS IN DATA:**

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

**4.19 SECURITY AND PRIVACY:**

The Contractor agrees that none of its officers or employees shall use or reveal any research or statistical information furnished by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained. Copies of such information shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceedings, unless ordered by a court of competent jurisdiction. The County shall be notified immediately upon receipt of any such order of court, pertaining to production of such information.

The Contractor shall incorporate the foregoing provisions of this paragraph in all of its authorized Subcontracts.

**4.20 SEVERABILITY:**

Any provision of this Contract which is determined to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof, and remaining provisions shall remain in full force and effect.

**4.21 VALIDITY:**

The invalidity, in whole or in part, of any provision of this Agreement shall not void or affect the validity of any other provision of this Contract.

**4.22 CONTRACTOR RESPONSIBILITY:**

The Contractor will be responsible for any damages whatsoever to County property as applicable when such property is the responsibility or in the custody of the Contractor, his Employees or Subcontractors.

Contractor agrees that all Subcontractors performing work under this Contract shall comply with its provisions and it is expressly understood that all persons employed by the Contractor, either directly or indirectly, shall be considered employees of the Contractor, and not employees of Maricopa County.

Contractor acknowledges and agrees that it is liable and responsible for any act or omission by the Contractor, its employees, agents, officers, representatives, and subcontractors occurring in the course of Contractor's performance of this Contract, whether such act or omission occurs on County property or elsewhere. Contractor shall be liable for any loss or damage arising out of or related to Contractor's performance of this contract, Contractor shall bear the above stated liability, even in absence of its own negligence, unless County actions caused the loss or damage (i.e., if regulation, but damage occurs, Contractor is responsible for such damages.) Contractor shall bear the above stated liability, consequential, incidental, direct, and indirect damages, and shall be liable for all costs, including attorney's fees, incurred by the County to enforce this provision.

**4.23 FAILURE TO PROVIDE SERVICES:**

Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

**4.24 DELIVERY:**

It shall be the Contractor's responsibility to meet the County's delivery requirements, as called for in the Technical Specifications. Maricopa County reserves the right to obtain material on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

**4.25 PRICE REDUCTIONS:**

By submitting a proposal in response to this solicitation, Contractors agree to guarantee that Maricopa County is receiving the lowest price offered by your company to other customers for similar services at comparable volumes in a similar geographic area. If at any time during the contract period your company offers a lower price to another customer, **SIMILAR PRICES MUST BE EXTENDED TO MARICOPA COUNTY** If a notification IS not made of said price reductions, upon discovery Maricopa County shall reserve the right to take any or all of the following actions:

4.25.1 Cancel the Contract, if it is currently in effect.

4.25.2 Determine the amount which the County was overcharged and submit a request for payment from the Contractor for that amount.

4.25.3 Take the necessary steps to collect any performance surety provided on the applicable contract.

4.26 CHANGES:

The County may require changes in the scope of the services to be performed by the Contractor hereunder. All such changes, which are mutually agreed upon by and between all the parties, shall be incorporated in written amendments to this Contract. All such amendments shall state any increase or decrease in the amount of the compensation due to the Contractor for the change in scope.

4.27 EMPLOYEE RESPONSIBILITY:

No responsibility will attach to a county employee for the premature opening of a proposal not properly addressed and identified in accordance with the proposal documents.

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WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: ☒ YES ☐ NO

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: ☒ YES ☐ NO

**PRICING 6.1**

Bank Service Charges

Items		Unit
		Price
Annalysis maintenance fee		\$9.00
Depoits		\$0.28
Items deposited on US		\$0.018
Items deposited clearings		\$0.029
Items deposited Transit A		\$0.05
Items deposited Transit B		\$0.06
Pre Enc Rejects over 1%		\$0.34
Cash deposited		\$0.001
Night drop bags processed		0
Change ordered		\$1.5
Coin ordered		\$0.05
Currency ordered (In 1,000's)		\$0.4
NSF Checks		\$20.00
Returned deposited items		\$2.00
Custom returned items		\$2.00
Stop payment		\$8.00
Outgoing wire transfers		\$7.00
Incoming wire transfers		\$2.00
Deposit corrections		\$1.00
Daily statements		\$20.00
Multiple DDA Statements		\$3.00
Check Fine Sort		\$60.00
Account Reconcilement		\$33.00
PC wire transfer base fee		0
Electronic file input		\$7.5
Electronic on us debits		\$0.007
Electronic on us credits		\$0.007
Electronic ACH credits		\$0.007
Return Items		\$1.5
ACH add-on maintenance		\$25.00
ACH reversal charge		\$15.00
ACH direct file input		\$7.5
ACH direct on us item		\$0.07
ACH direct ACH item		\$0.07

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Zero balance maintenance			\$20.00
Edi origination processing			tbd
Edi " monthly maintenance			\$150.00
Edi transmissions			\$7.5
Edi received fax report pages			\$1
<b>PRICING 6.2</b>			

Bank Service Charges

Internal Balance Reporting System Charges

			Unit
			Price
Internal Transfers Maintenance			\$20.00
Internal Transfers Items			\$1.00
" " Stop Payment Main.			\$15.00
" " Previous Day Main.			\$35.00
" " Previous Day Accounts			\$15.00
" " Previous Day Items			\$0.07
" BAI Maintenance			\$25.00
" BAI Accounts			\$16.00
" BAI Items			\$0.08

Investment Portfolio Charges

			Unit Price
Book-entry Security Transaction			\$20.00
" Security Called Transaction			\$20.00
" Safekeeping Holdings			\$3.00
Portfolio Market Pricing			N/A

Special Handling Charges

			Unit Price
High speed warrants processed			\$0.08
Slow speed warrants processed			\$0.1
Treasurer checks processed			\$0.06
Stopped Warrants			\$6.00
Stopped Treasurer's Checks			\$6.00
Warrant Images (front & back)			\$0.03

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Warrant image maintenance		\$50.00
Warrant image CD Rom		\$25.00

**PRICING 6.3 Retail Lockbox Service Charges**

ITEMS / ANNUAL VOLUME		Per Item Cost
<b>SECURED PROPERTY TAX PAYMENTS</b>		
Scanable Documents Between September 1 and November 15		\$0.28
Scanable Documents Between November 16 and March 31		\$0.28
Scanable Documents Between April 1 and March 15		\$0.28
Scanable Documents Between March 16 and September 1		\$0.28
<b>UNSECURED PROPERTY TAX PAYMENTS</b>		
Scanable Documents Between May and March		\$0.28
Scanable Documents - April		\$0.28
Address Changes Via Modem		\$0.53
<b>Imaging</b>		
Annual # (Front & Back)		\$0.0085
<b>Edit Rejects</b>		
Annual #		\$0.28
<b>Electronic Transmissions</b>		
Annual #		\$25.00
<b>Terminal Usage</b>		
Monthly fee		\$75.00
<b>Title Checks</b>		
Annual #(special handling/terminal lookup)		\$0.64
<b>Electronic lockbox</b>		
Annual Items (anticipated)		\$0.17
Setup fee (electronic lockbox)?		\$100.00
Monthly fee?		\$35
<b>TOTAL COST</b>		

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WHOLESALE LOCKBOX CHARGES		
ITEMS/ ANNUAL VOLUME		Per Item Cost
Delivery		\$10
Photocopies		\$0.13
Regular Volume		\$0.12
Reject Volume		\$0.12
ALPHA/Numeric Sort		\$0.11
<b>TOTAL COST</b>		
<b>PRICING 6.4</b>		

**ITEMS**

**CALCULATIONS**

Overdrafts

Bank One shall charge the effective Federal Funds Rate for the month.

Registered Warrant Percentage

Qualified	<u>56% of Bank One's prime lending rate</u>
Unqualified	<u>65% of Bank One's prime lending rate</u>

Revolving Credit Line (35MM Municipal Line)

65% of Bank One's prime lending rate.

Warrant Float	Monthly Average:	\$17,568,750
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**Since the County desires to pay for all services with balances, any negative collected balance on the warrant account will be netted against all County accounts for a net earnings credit or net charge.**

Earnings Credit

Average of the daily rates for the 91-day Treasury Bill auction in a specific month.

Reserve Requirement

**The reserve requirement is currently 10%**

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**PRICING 6.5 ARMORED CAR SERVICE LOCATIONS**

<u>Locations</u>		<u>Rate Per Month</u>
<b><u>Clerk Of The Court:</u></b>		
201 West Jefferson Phoenix, Arizona		\$267.96
3125 West Durango Phoenix, Arizona		\$267.96
125 West Washington Phoenix, Arizona		\$267.96
1830 South Lewis Drive Phoenix, Arizona		\$267.96
1810 South Lewis Drive Phoenix, Arizona		\$267.96
3345 W Durango Phoenix, Arizona		\$267.96
222 East Javalina Phoenix, Arizona		\$120.02
<b><u>County Treasurer:</u></b>		
301 West Jefferson		\$267.96
		\$267.96
<b><u>Justice Courts:</u></b>		
2051 West Warner Chandler, Arizona		\$267.96
4811 East Julep #128 Mesa, Arizona		\$267.96
4109 North 12th Street Phoenix, Arizona		\$267.96
One West Madison Phoenix, Arizona		\$267.96
6830 North 57th Drive Glendale, Arizona		\$267.96
4622 West Indian School Road		\$267.96



Phoenix, Arizona			
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10255 North 32nd Street			\$267.96
Phoenix, Arizona			
11601 North 19 <sup>th</sup> Ave.			\$267.96
Phoenix, Arizona			

#### ARMORED CAR SERVICE LOCATIONS

<u>Locations</u>			<u>Rate Per Month</u>
<b><u>Justice Courts, continued...</u></b>			
7420 West Cactus Road			\$267.96
Peoria, Arizona			
One West Madison			\$267.96
Phoenix, Arizona			
1837 South Mesa Drive			\$267.96
Mesa, Arizona			
1845 East Broadway			\$267.96
Tempe, Arizona			
9550 West Van Buren			\$267.96
Tolleson, Arizona			
122 North Country Club			\$267.96
Mesa, Arizona			
527 West McDowell Road			\$267.96
Phoenix, Arizona			
3629 Civic Center			\$267.96
Scottsdale, Arizona			
217 East Olympic Drive			\$267.96
Phoenix, Arizona			
5222 W Glendale Ave			\$267.96
<b><u>Superior Court:</u></b>			
111 South Third Avenue			\$267.96
Phoenix, Arizona, Third Floor			
3101 East Shea			\$267.96
Phoenix, Arizona			

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723 West Dobbins			\$267.96
Phoenix, Arizona			
700 East Jefferson			\$267.96
Phoenix, Arizona			
4520 North Central Avenue			\$267.96
Phoenix, Arizona			
6655 West Glendale			\$267.96
Glendale, Arizona			
3200 North Hayden #165			\$267.96
Scottsdale, Arizona			
			\$267.96
Mesa, Arizona			
Library District			\$186.54
17811 North 32nd Street			

Terms: NET 30

Federal Tax ID Number: 86-0064160

Telephone Number: 602/221-2179

Fax Number: 602/221-1682

Contact Person: MARK JENSEN

Vendor Number: 860064160

Company Web Site: [www.bankone.com](http://www.bankone.com)

E-mail Address: [mark\\_a\\_jansen@mail.bankone.com](mailto:mark_a_jansen@mail.bankone.com)

Contract Period: To cover the period ending February 28, 2004.